

## **EXHIBIT C**

**Group Disability  
Insurance Certificate**

Bertelsmann, Inc.

### IMPORTANT NOTICES

If you reside in one of the following states, please read the important notices below:

**Arizona, Florida and Maryland residents:**

The group policy is issued in the state of New York and will be governed by its laws. If you reside in a state other than New York, this certificate of insurance may not provide all of the benefits and protections provided by the laws of your state. **PLEASE READ YOUR CERTIFICATE CAREFULLY.**

**Texas residents:**

**IMPORTANT NOTICE:** To obtain information or make a complaint:

You may call the Life Insurance Company of North America, Group Insurance's toll-free telephone number for information or to make a complaint at 1-800-547-5515.

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at 1-800-252-3439.

You may write the Texas Department of Insurance:  
P O Box 149104  
Austin, TX 78714-9104  
FAX # (512) 475-1771

**PREMIUM OR CLAIM DISPUTES:** Should you have a dispute concerning your premium or about a claim you should contact the agent or company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**AVISO IMPORTANTE:** Para obtener informacion o para someter una queja:

Usted Puede llamar al numero de telefono gratis del Life Insurance Company of North America, Group Insurance Division para informacion o para someter una queja al 1-800-547-5515.

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al 1-800-252-3439.

Puede escribir al Departamento de Seguros de Texas:  
P O Box 149104  
Austin, TX 78714-9104  
FAX # (512) 475-1771

**DISPUTAS SOBRE PRIMAS O RECLAMOS:** Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

## **FOREWORD**

Disability insurance provides individuals and their families with financial protection. The Disability Insurance Benefit described in this booklet will help secure your family's financial security in the event of your disability.

The need for disability insurance protection depends on individual circumstances and financial situations. A portion of the cost of this coverage is provided by your Employer. You may need to contribute to the remaining cost of coverage through payroll deduction so that your benefit program is more comprehensive and responsive to your needs.

The following pages describe the main provisions of the disability insurance plan available to you.

Insurance benefits described in the following pages will apply to you if your Employer has made this coverage available to you at no cost or you have elected the benefit and authorized payroll deduction for the required premium.

**CIGNA LIFE INSURANCE COMPANY OF NEW YORK**  
140 EAST 45TH STREET  
NEW YORK, NY 10017-3144  
(800) 732-1603 TDD (800) 552-5744  
**A STOCK INSURANCE COMPANY**

**GROUP INSURANCE  
CERTIFICATE**

We, the CIGNA LIFE INSURANCE COMPANY OF NEW YORK, certify that we have issued a Group Policy, NYK-980002, to Bertelsmann, Inc.

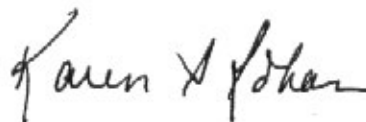
We certify that we insure all eligible persons, who are enrolled according to the terms of the Policy. Your coverage will begin and end according to the terms set forth in this certificate.

This certificate describes the benefits and basic provisions of your coverage. You should read it with care so you will understand your coverage.

This is not the insurance contract. It does not waive or alter any of the terms of the Policy. If questions arise, the Policy will govern. You may examine the Policy at the office of the Policyholder or the Administrator.

This certificate replaces any and all certificates which may have been issued to you in the past under the Policy.

*Nothing in this group policy will invalidate or impair the rights granted to holders of any certificates issued under this policy, under the terms of the certificate or by law.*



Karen S. Rohan, President

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**SCHEDULE OF BENEFITS**

**Policy Effective Date:** January 1, 2004

**Amendment Effective Date:** September 1, 2005

**Policy Anniversary Date:** January 1

**Policy Number:** NYK-980002

**Eligible Class Definition:**

All active Full-time and Part-time Employees of SONY BMG MUSIC ENTERTAINMENT working a minimum of 20 hours per week who are U.S. citizens or U.S. residents, excluding temporary and seasonal Employees.

**Eligibility Waiting Period**

If you were hired on or  
before the Policy Effective Date: Date of hire

If you were hired after  
the Policy Effective Date: Date of hire

**Benefit Waiting Period**

Core Benefit: 26 weeks  
Optional Benefit: 26 weeks

**Disability Benefit**

Core Benefit: 40%  
Optional Benefit: 66.67%

The lesser of the percent of your monthly Covered Earnings listed above, rounded to the nearest dollar, or the Maximum Disability Benefit, reduced by any Other Income Benefits.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that you receive on your own behalf or for your dependents, or which your dependents receive because of your entitlement to Other Income Benefits.

**Maximum Disability Benefit**

Core Benefit: \$12,000 per month  
Optional Benefit: \$20,000 per month

**Minimum Disability Benefit**

Core Benefit: \$100 per month  
Optional Benefit: \$100 per month

**Maximum Benefit Period**

Age When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

Your 65th birthday or

the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

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## WHO IS ELIGIBLE

### Employee Eligibility

If you qualify under the Class Definition shown in the Schedule of Benefits you are eligible for coverage under the Policy on the Policy Effective Date, or the day after you complete the Eligibility Waiting Period, if later.

If you have previously converted your insurance under the Policy, you will not become eligible until the converted policy is surrendered. This does not apply to any amount of insurance that was previously converted under the Policy due to a reduction in your Disability Insurance benefits based on age or a change in class unless those conditions no longer affect the amount of coverage available to you.

Except as noted in the Reinstatement Provision, if you terminate your coverage and later wish to reapply, or if you are a former Employee who is rehired, you must satisfy a new Eligibility Waiting Period. You are not required to satisfy a new Eligibility Waiting Period if your insurance ends because you are no longer in an eligible class, but you continue to be employed by the Employer and within one year you become a member of an eligible class.

You must be in Active Service throughout the Eligibility Waiting Period to be eligible for coverage. The Eligibility Waiting Period will be extended by the number of days you are not in Active Service.

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## WHEN COVERAGE BEGINS

You will be insured on the date you become eligible, if you are not required to contribute to the cost of this insurance.

If you are required to contribute to the cost of your insurance you may elect to be insured only by authorizing payroll deduction in a form approved by the Employer and us. The effective date of your insurance depends on the date coverage is elected.

If you elect coverage within 31 days after you become eligible, during an Annual Enrollment Period, or within 31 days after a Life Status Change, your insurance is effective on the latest of the following dates.

1. The Policy Effective Date.
2. The date you authorized payroll deduction for this insurance.
3. The date the completed enrollment request is received by the Employer or us.

If your enrollment request is received more than 31 days after you are eligible to elect coverage, insurance is effective on the date we agree in writing to insure you. We will require you to satisfy the Insurability Requirement before we agree to insure you.

If you are not in Active Service on the date your insurance would otherwise be effective, it will be effective on the date you return to Active Service.

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## WHEN COVERAGE ENDS

Your insurance ends on the earliest of the dates below.

1. The date you are eligible for coverage under a plan intended to replace this coverage.
2. The date the Policy is terminated.
3. The date you no longer qualify under your Class Definition.

4. The day after the period for which premiums are paid.
5. The date you are no longer in Active Service.

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## **CONTINUATION OF INSURANCE**

### **Continuation of Disability Insurance**

Your Disability Insurance will continue if your Active Service ends because of a Disability for which benefits under the Policy are or may become payable. Your premiums will be waived while Disability Benefits are payable. If you do not return to Active Service, your Disability Insurance will end when you are no longer Disabled or when benefits are no longer payable, whichever occurs first.

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## **DESCRIPTION OF BENEFITS WHAT IS COVERED**

### **Disability Benefits**

If you become Disabled, as we define the term in the Definitions section, while you are covered under the Policy, we will pay you Disability Benefits. After you are Disabled, you must satisfy the Benefit Waiting Period and be under the care and treatment of a Physician. Also, we ask you to provide us with satisfactory proof of your Disability, at your expense, before benefits will be paid.

We will require continued proof of your Disability for benefits to continue.

### **Benefit Waiting Period**

The Benefit Waiting Period is the period of time you must be continuously Disabled before Disability Benefits may be payable. Your Benefit Waiting Period is shown in the Schedule of Benefits.

We will not require you to satisfy the Benefit Waiting Period if benefits were payable to you under a Prior Plan on the Policy Effective Date and you return to Active Service within 6 months after this Effective Date and are Disabled again within 14 days. Your later period of Disability must be caused by the same or related causes for your Benefit Waiting Period to be waived.

### **Termination of Your Disability Benefits**

Your Disability Benefits will end on the earliest of the dates listed below.

1. The date you earn more than the percentage of your Indexed Covered Earnings which is used to determine if you are Disabled
2. The date we determine you are no longer Disabled
3. The date the Maximum Benefit Period ends
4. The date you die

### **Successive Periods of Disability**

Once you are eligible to receive Disability Benefits under the Policy, separate periods of Disability resulting from the same or related causes are a continuous period of Disability unless you return to Active Service for more than 6 consecutive months.

A period of Disability is not continuous if separate periods of Disability result from unrelated causes, or your later Disability occurs after your coverage under the Policy ends.

The Successive Periods of Disability provision will not apply if you are eligible for coverage under a plan that replaces the Policy.

**Mental Illness, Alcoholism and Drug Addiction Limitation**

We will pay Disability Benefits on a limited basis during your lifetime for a Disability caused by, or contributed to by, any one or more of the following conditions. Once 24 monthly Disability Benefits have been paid during your lifetime, no further benefits will be payable for any of the following conditions.

1. Alcoholism
2. Anxiety disorders
3. Delusional (paranoid) disorders
4. Depressive disorders
5. Drug addiction
6. Eating disorders
7. Mental illness

If, before reaching the lifetime maximum benefit, you are confined in a hospital for more than 14 consecutive days, that period of confinement will not count against the lifetime limit. The confinement must be for the Appropriate Care of any of the conditions listed above.

**Pre-Existing Condition Limitation**

We will not pay Disability Benefits for any period of Disability which is caused by, or contributed from, or results from a Pre-Existing Condition. A "Pre-existing Condition" means any Injury or Sickness for which you incurred expenses, received medical treatment, care or services, including diagnostic measures, took prescribed drugs or medicines, or for which a reasonable person would have consulted a Physician within 3 months before your most recent effective date of insurance.

The Pre-Existing Condition Limitation will apply to any added benefits or increases in benefits.

This limitation will not apply to a period of Disability that begins more than 12 months after your most recent effective date of insurance.

Except for any amount of benefit in excess of a Prior Plan's benefits, this limitation will not apply if you were covered under a Prior Plan and satisfied the Pre-existing Condition Limitation, if any, under that plan. If you were covered under a Prior Plan, but did not fully satisfy the Pre-existing Condition Limitation of that plan, we will credit you for any time you did satisfy. Time will not be credited for any day you were not in Active Service or were not actively at work due to Sickness.

**Disability Benefit Calculation**

Your Disability Benefit for any month Disability Benefits are payable to you is shown in the Schedule of Benefits. We base our calculation of Disability Benefits on a 30 day period. Benefits will be prorated if payable for any period less than a month.

**Work Incentive Benefit**

For the first 12 months you return to work your Disability Benefit is as defined in the Schedule of Benefits. If, for any month during this period, the sum of your Disability Benefit, your current earnings and any additional Other Income Benefits exceed 100% of your Indexed Covered Earnings, your Disability Benefit will be reduced by the excess amount.

After 12 months, your Disability Benefit is as shown in the Schedule of Benefits, reduced by 50% of your current earnings received during any month you return to work. If the sum of your Disability Benefit, your current earnings and any additional Other Income Benefits exceed 80% of your monthly Indexed Covered Earnings, your Disability Benefit will be reduced by the excess amount.

If you are working for another employer on a regular basis when Disability begins, your earnings will include the amount of any increase in the amount you are earning from this work while you are Disabled.



We will, from time to time, review your status and will require satisfactory proof of earnings and continued Disability.

#### **Other Income Benefits**

While you are Disabled, you may be eligible for benefits from other income sources. If so, we reduce the Disability Benefits payable by the amount of such Other Income Benefits payable due to the same disability.

Other Income Benefits include:

1. any amounts you or your dependents, if applicable, receive (or are assumed to receive\*) under:
  - a. the Canada and Quebec Pension Plans;
  - b. the Railroad Retirement Act;
  - c. any local, state, provincial or federal government disability or retirement plan or law as it pertains to your Employer;
  - d. any sick leave or salary continuation plan of your Employer;
  - e. any work loss provision in any mandatory "No-Fault" auto insurance.
2. any Social Security disability or retirement benefits you or any third party receive (or are assumed to receive\*) either on your behalf or for your dependents; or, if applicable, which your dependents receive (or are assumed to receive\*) because of your entitlement to such benefits.
3. any retirement plan benefits funded by your Employer. "Retirement plan" means any defined benefit or defined contribution plan sponsored or funded by your Employer. It does not include an individual deferred compensation agreement; a profit sharing or any other retirement or savings plan maintained in addition to a defined benefit or other defined contribution pension plan, or any Employee savings plan including a thrift, stock option or stock bonus plan, individual retirement account or 401(k) plan.
4. any proceeds payable under any franchise or group insurance or similar plan. If there is other insurance that applies to the same claim for Disability, and contains the same or similar provision for reduction because of other insurance, we will pay our pro rata share of the total claim. "Pro rata share" means the proportion of the total benefit that the amount payable under one policy, without other insurance, bears to the total benefits under all such policies.
5. any amounts you or your dependents, if applicable, receive (or are assumed to receive\*) under any Workers' Compensation, occupational disease, unemployment compensation law or similar state or federal law, including all permanent as well as temporary disability benefits.
6. any amounts paid on account of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.
7. any wage or salary for work performed while Disability Benefits are payable, to the extent they exceed the amount allowed under the Work Incentive Benefit.

Dependents include your spouse and children or step-children.

\*See the Assumed Receipt of Benefits provision.

#### *Increases in Other Income Benefits*

After we make the first deduction for any Other Income Benefits, any cost of living increases for Other Income Benefits, except for wage or salary, will not further reduce your Disability Benefit during a period of Disability.

#### *Lump Sum Payments*

Other Income Benefits or earnings that are paid in a lump sum will be prorated over the period for which the sum is given. If no time is stated, the lump sum will be prorated monthly over a five-year period.